

FOR IMMEDIATE RELEASE
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COUNCILMEMBER DJOU: WE NEED A BUDGET REALITY CHECK

Tomorrow the Council Budget Committee will hear the administration's budget. Mayor Harris suggests that Councilmember Charles K. Djou's objection to raising taxes will effectively shut down City government. Harris' budget, however, proposes a 5.5% increase in government spending. The Mayor finances such a large spending increase with the largest tax increase in modern City history. Contrary to the Mayor's assertion, Djou's counter-proposal still increases government spending by 3.5% or roughly \$40 million. The key difference between the Harris and Djou proposals is the amount the City budget should be allowed to increase.

"The City should live within its means. While I respect the administration's preference to increase government spending at quadruple the rate of inflation and enact the largest tax increase in modern City history, I believe taxpayers cannot afford more taxes," stated Councilmember Djou.

"It does not matter if it's Congress or the State Legislature, leaders from both political parties agree that raising taxes is a bad idea in today's economy. It is disappointing to see the City administration move in the direction of a massive tax increase while the Federal and State governments are trying to cut taxes."

"The administration argues a sudden rise in health care and pension costs is driving its tax increase. But the administration has known about these rising fixed costs for years. These rising costs are no different from the rising health and pension premiums paid by small businesses across Hawaii. Arguing that 'new' fixed cost increases are the reason for the sudden, dramatic rise in City taxes and fees is disingenuous."

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